

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF	)	
KENTUCKY, INC. FOR AN ORDER AUTHORIZING	)	CASE NO.
ISSUANCE AND SALE OF PROMISSORY NOTES	)	2005-00400

O R D E R

On September 28, 2005, Columbia Gas of Kentucky, Inc. ("Columbia") submitted an application for approval to issue and sell long-term promissory notes. Columbia stated in its application that the proceeds from the sale of the new notes would be used in part for "the acquisition of property and for the construction, completion, extension and improvement of company facilities." 807 KAR 5:001, Section 11, requires, among other things, that all applications for authority to issue notes contain a detailed description of the property which is to be acquired, constructed, improved or extended. Columbia's application did not contain this information. As a result, Columbia was notified on October 18, 2005 that its application was deficient and that its filing was rejected pursuant to 807 KAR 5:001, Section 2.

On October 31, 2005, Columbia filed a letter with the Commission stating that the proceeds from its proposed sale of promissory notes would be used to purchase materials used in the ordinary course of providing utility service such as mains, service lines, meters, and regulators. It states that it does not intend to use the proceeds from the sale of the proposed promissory notes to finance any major acquisition of property

and that no further description is necessary. Columbia argues that since the proceeds are to be used for the acquisition of materials used in the ordinary course of business and not to finance a major acquisition, its application was not deficient and that the Commission should accept the application as filed on September 28, 2005, the date it was originally submitted.

The Commission has reviewed Columbia's application and the supplemental information it provided and finds that the application submitted by Columbia on September 28, 2005 was deficient. Columbia stated in its application that it was acquiring property, but it did not include in its application the information required by 807 KAR 5:001, Section 11(1)(d), regarding that property. The information required by 807 KAR 5:001, Section 11(1)(d), was not provided by Columbia until October 31, 2005. The Commission finds, therefore, that Columbia's application for approval to issue and sell promissory notes should be considered filed on October 31, 2005.

IT IS THEREFORE ORDERED that Columbia's application for authority to issue and sell promissory notes was filed of record on October 31, 2005.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of December, 2005.

By the Commission

ATTEST:



Executive Director